

1 DAVID HUBBERT
2 Deputy Assistant Attorney General

3 TY HALASZ (Colorado Bar)
4 MATTHEW P. UHALDE (New York Bar)
5 Trial Attorneys, Tax Division
6 U.S. Department of Justice
7 P.O. Box 683, Ben Franklin Station
8 Washington, D.C. 20044
Tel. (202) 307-6484 (Halasz)
Tel. (202) 353-0013 (Uhalde)
Fax. (202) 307-0054
Ty.Halasz@usdoj.gov
Matthew.P.Uhalde@usdoj.gov

9 *Attorneys for the United States of America*

10 IN THE UNITED STATES DISTRICT COURT
11 FOR THE EASTERN DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,)
13 Plaintiff,) Case No. 1:21-cv-01415-NONE-EPG
14 v.)
15 INTERNATIONAL PALLETS INC.,)
16 INTERNATION WOOD PALLETS INC.,)
17 CORTEZ ESTATE LLC, HERNAN CORTEZ,)
18 CITY OF MODESTO, and TAX COLLECTOR)
19 OF STANISLAUS COUNTY,)
Defendants.)

)

20 Plaintiff United States of America and Defendants Hernan Cortez, International Pallets
21 Inc., International Wood Pallets Inc., Cortez Estate LLC, City of Modesto, and Tax Collector of
22 Stanislaus County, stipulate to judgment on the United States' Complaint as follows:

23 1. All parties consent to the jurisdiction of the United States Magistrate Judge under
24 28 U.S.C. § 636(c)(1).

1 2. The Court shall enter judgment in favor of the United States and against
2 International Pallets Inc. and International Wood Pallets Inc., jointly and severally, in the amount
3 of \$533,375.99 as of September 10, 2021, for unpaid federal employment taxes, interest, and
4 penalties for tax periods ending 12/31/2014, 03/31/2015, 06/30/2016, 09/30/2015, 06/30/2016,
5 09/30/2016, 12/31/2016, 03/31/2017, 06/30/2017, 09/30/2017, 03/31/2018, and 06/30/2018.
6 Interest shall accrue on the judgment pursuant to 28 U.S.C. § 1961(c)(1) until paid.

7 3. The United States' tax liens against International Pallets Inc. and Cortez Estate
8 LLC, as the alter ego of International Pallets Inc., encumber the subject property located at 1737
9 Reliance Street, Modesto, CA 95358, parcel number 086-012-055-000. Although that property is
10 titled in the name of Defendant Cortez Estate LLC, the LLC hold title as the nominee and alter
11 ego of International Pallets Inc. and International Wood Pallets Inc., which retain an equitable
12 ownership interest in the property.

13 4. Consequently, the federal tax liens on the property may be foreclosed, and the
14 property may be sold to satisfy, in whole or in part, this judgment.

15 5. The proceeds from the sale of the property shall be distributed in the following
16 order:

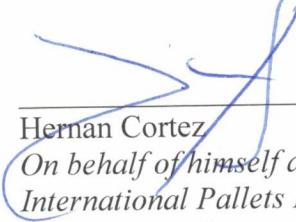
- 17 a. First, to Defendant Tax Collector of Stanislaus County to satisfy outstanding
18 municipal liens on the property;
- 19 b. Second, to the City of Modesto, to satisfy outstanding municipal liens on the
20 property;
- 21 c. Third, to the United States, to satisfy this judgment; and
- 22 d. Fourth, any surplus to Defendant Hernan Cortez.

23 Dated:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
Erica Grosjean
United States Magistrate Judge

DAVID HUBBERT
Deputy Assistant Attorney General

/s/ *Matthew P. Uhalde*
TY HALASZ
MATTHEW P. UHALDE
Trial Attorneys, Tax Division
U.S. Department of Justice
Attorneys for the United States


Hernan Cortez
*On behalf of himself and Defendants
International Pallets Inc., International
Wood Pallets Inc., and Cortez Estate LLC*

/s/ *Dan Farrar*
Dan Farrar
*Attorney for Defendant Tax Collector of
Stanislaus County*

/s/ *Yujin Chun*
Yujin Chun
Attorney for Defendant City of Modesto